

HOUSE BILL 2954

By Todd

AN ACT to amend Tennessee Code Annotated, Title 5;  
Title 6; Title 49, Chapter 2; Title 49, Chapter 3;  
Title 49, Chapter 5; Title 49, Chapter 6 and Title  
49, Chapter 1, relative to local education agencies.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 2, is amended by adding the following language as a new, appropriately designated section:

49-2-\_\_\_\_.

(a) If a city school system or a joint city school system is formed in a county in which a school system has been consolidated with the county school system, then, after the formation of the new city school system or the joint city school system, the county board of education shall convey and transfer title to all county school property lying within the new school system to the new city or joint city board of education prior to the beginning of the first school year of operation of the new school system. However, a city or cities, in the city's or cities' discretion, may determine that such property is not needed by the city school system or the joint city school system, respectively, and should not be transferred, but should remain the property of the county school system.

(b) If there is debt on a property owned by the county at the time of the transfer of the property to the city or joint city board of education, then the indebtedness shall remain the obligation of the county or county school system, and existing arrangements for the retirement of the indebtedness shall be continued until the indebtedness is retired and paid in full. However, if a school facility lying in a city forming a new city school system or participating in the

formation of a joint city school system was financed by county rural school bonds that are payable from taxes levied only upon a portion of the county as determined at the time of issuance, then the county and the city or cities, as the case may be, shall enter into an agreement as to the disposition of existing bonded indebtedness, which shall not impair the rights of any of the bond holders, before the transfer of the property.

(c) Upon transfer of any county school property to a city or cities under this section, the city or cities, as the case may be, shall become responsible for all insurance, maintenance, operational and other costs associated with the property and for the costs of any subsequent improvements to the property.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.